

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re : **Chapter 11**
HOSPITAL DAMAS, INC. : **Case No. 10-8844 (MCF)**
Debtor :
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**NOTICE OF INTENT TO FILE RESPONSE, AND REQUEST FOR TIME TO FILE
SUCH RESPONSE, TO THE CREDITORS COMMITTEE'S: (A) PROVISIONAL
OBJECTION TO THE MOTION TO APPROVE POST-PETITION FINANCING AND
USE OF CASH COLLATERAL; AND (B) APPLICATION TO EMPLOY KILPATRICK
STOCKTON LLP AS COUNSEL**

**TO THE HONORABLE MILDRED CABÁN
U.S. BANKRUPTCY JUDGE:**

COMES NOW Banco Popular de Puerto Rico ("Banco Popular"), through its undersigned counsel, and respectfully alleges and requests:

1. On November 24, 2010, Hospital Damas, Inc. (the "Debtor") filed a voluntary petition for relief under the provisions of 11 U.S.C. Chapter 11 (the "Petition Date") and, as of that date, has been managing its affairs as debtor-in-possession pursuant to 11 U.S.C. § 1107.

See Dkt. No. 1.

2. On that same date, the Debtor and Banco Popular, each by their respective counsels, filed an "Urgent Joint Motion for Entry of Order Authorizing Debtor to Obtain Post-Petition Senior Secured Financing, Use Cash Collateral and Provide Adequate Protection (the "Post-Petition Financing Motion"). See Dkt. No. 4.

3. On October 5, 2010, the United States Trustee filed a “Notice of Appointment of Unsecured Creditors Committee” (as subsequently amended, the “Notice of Appointment”). See Dkt. No. 34 and 40.

4. On October 14, 2010, the Official Committee of Unsecured Creditors of Hospital Damas, Inc. (the “Committee”) filed the “Provisional Objection of the Official Committee of Unsecured Creditors of Hospital Damas, Inc. to Urgent Joint Motion for Entry of Order Authorizing Debtor to Obtain Post-Petition Senior Secured Financing, Use Cash Collateral, and Provide Adequate Protection” (the “Provisional Objection”). See Dkt. No. 67.

5. On October 18, 2010, the Committee filed its “Application of Official Creditor’s Committee of Unsecured Creditors of Hospital Damas, Inc. for Entry of an Order Authorizing the Employment and Retention of Kilpatrick Stockton LLP as its Attorneys” (the “Application for Employment”). See Dkt. No. 84.

6. Banco Popular intends to respond and oppose the Application for Employment and the Provisional Objection. However, the undersigned counsel has been in discussions with the proposed counsel for the Committee which may potentially resolve the parties’ respective controversies with the Post-Petition Financing Motion, the Provisional Objection and the Application for Employment.

8. In light of the above, Banco Popular requests that the Court grant it through next Tuesday, October 26, 2010, to respond to the Provisional Objection and the Application for Employment, in order to allow the current discussions to continue and finalize. The Committee’s proposed counsel has consented to this extension.

WHEREFORE, Banco Popular requests that the Court take notice of the foregoing and grant it until Tuesday, October 26, 2010, to file its response to the Provisional Objection and the

Application for Employment and that, accordingly, the Court hold the Provisional Objection and Application for Employment in abeyance until Banco Popular files its written response to such matters on or before Tuesday, October 26, 2010. Finally, Banco Popular requests such other relief as is just and proper.

RESPECTFULLY SUBMITTED.

San Juan, Puerto Rico, this 21st day of October, 2010.

WE HEREBY CERTIFY that on this date, we electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the parties appearing in said system, including the U.S. Trustee.

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